

# Kentucky Teachers' Retirement System

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Gary L. Harbin, CPA  
*Executive Secretary*

## Office Hours

Monday – Friday  
8:00 to 5:00

## Retirement 101 for KASBO

*May 2014*



*Presented by*

**Becky Niece**

# AGENDA

**Retirement  
Education**



**Purchases**

**Benefits**



**The  
Process of  
Retiring**

**Post-  
Retirement  
Employment**



# Retirement Education



## Vesting

- Vesting is the length of service needed to qualify for a retirement benefit.
- Vesting requirement is **5.0 years** of service credit.

**NOTICE:**  
**Entry Date Prior**  
**To 07/01/2008**

## **Retirement Eligibility**

- 27 years service at any age
- 5 years service at age 55\*

\* Retirement Actuarial Reduction 5% for each year service is below 27 or 5% for each year age is under 60, whichever is less

**NOTICE:**  
**Entry Date On or**  
**After 07/01/2008**

## **Retirement Eligibility**

- 27 years service at any age
- 5 years (Vested) service at age 60
- 10 years service at age 55\*

\* Retirement Actuarial Reduction (6% for each year service is below 27 or 6% for each year age is under 60, whichever is less)

Kentucky Teachers' Retirement System  
*Terms to Become Familiar With ...*

**Service Credit  
(SC)**

- Service credit is the total number of years an employee has contributed into KTRS.



**Multiplier**

- Multiplier is the value for each year of service credit earned with KTRS.

**Final Average  
Salary or (FAS)**

- High 5 FAS
  - (27 years **OR** age 55)
- High 3 FAS
  - (27 years **AND** age 55)

**High 3 FAS!**  
**Greater retirement  
benefit**

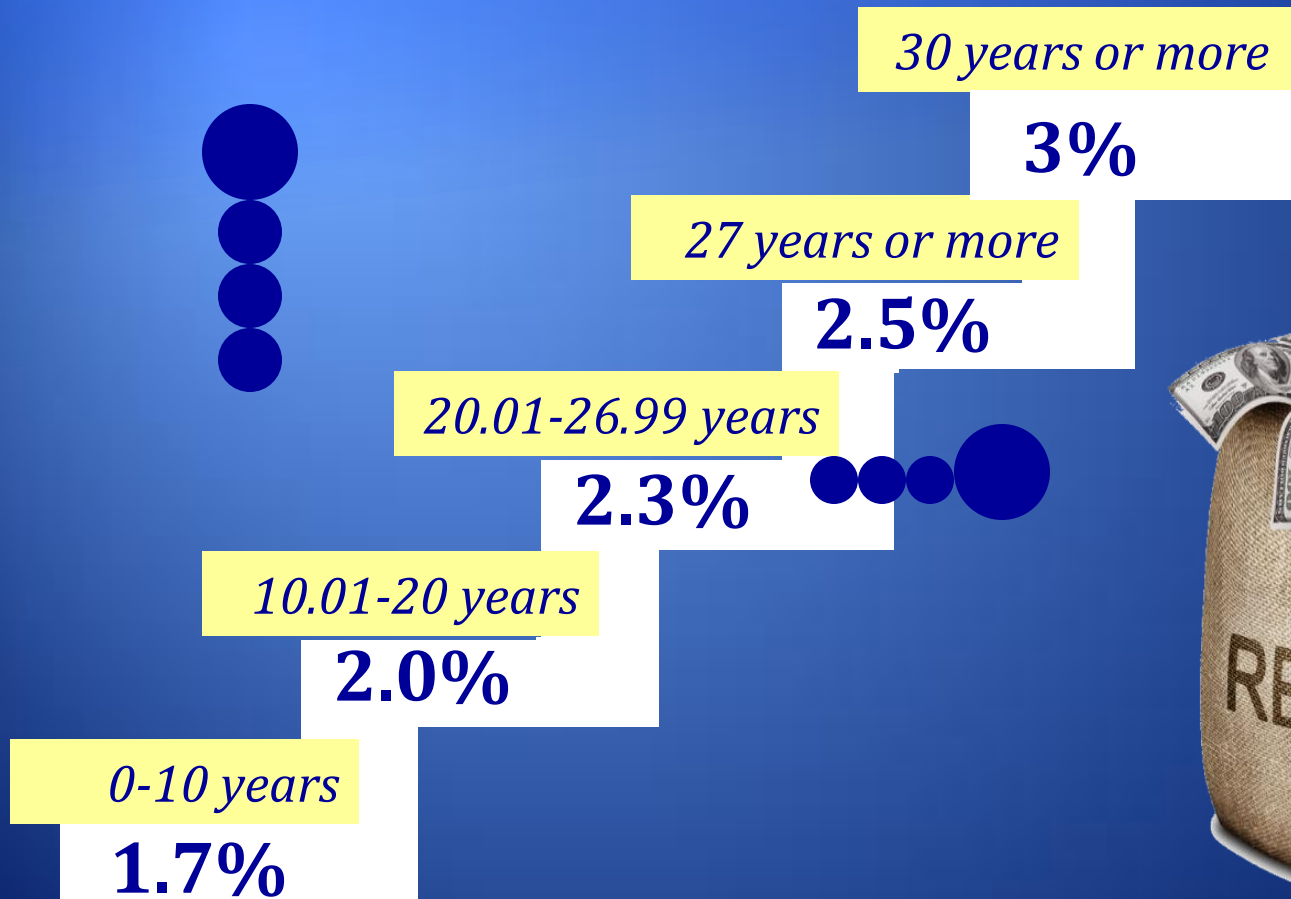
# Multipliers For Members with an Entry Date Prior to July 1, 2008

Years of Service	* Entry PRIOR to 07/01/02	Entry AFTER 07/01/02
0.01 to 9.99	2.5%	2.0%
10.0 – 19.99	2.5%	2.5%
20.0 – 25.99	2.5%	2.5%
26.0 - 30	2.5%	2.5%
30+	3.0%	3.0%

\* Service prior to 1983/84 is multiplied at 2.0%.



# Multipliers for Members with an Entry Date On or After July 1, 2008



# Recognizing the Value of Sick Days

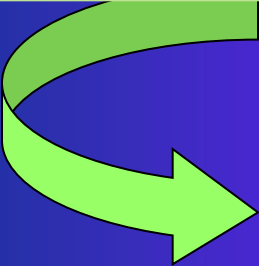
**Sick Leave payments are paid by the employer...and added to the employee's Final Average Salary!!**



*Maximum of 300 sick  
leave days for members  
with an entry date  
on or after  
July 1, 2008.*

# Recognizing the Value of Sick Days

**How a  
Retirement  
Pension  
can Grow**



	Age 55+	
Retirement Date	July 2019	July 2019
Service Credit	32	32
Multiplier	0.81	0.81
Sick Leave Days	0	175 \$17,381.00 Adds \$392/mo
Average Salary	\$ 60,704	\$66,498
Option I	\$ 4,097	\$4,489
Percent of Last Salary	79%	87%

Financial planners recommend retirement income of 80% to 100% of the employee's final salary.

# Example - Retirement Calculation

<u>Years of Service</u>	<u>Service Credit</u>	<u>Multiplier</u>	<u>Total</u>
1986-87      2012-13	<u>27.00</u>	x      2.5%	= <u>67.5%</u>

School Year Salaries	08-09 \$52,000
	09-10 \$53,000
	10-11 \$54,000
	11-12 \$55,000
	12-13 \$56,000

Plus Leave Payment	<u>\$15,722</u>
(Per employer policy)	\$285,722

**Final Average  
Salary**

$$\$285,722 / 5 = 57,144$$

$67.5\% \times \$57,144 = \$38,572$  Annual Benefit

$\$38,572 / 12 = \$3,214.35$  Monthly Benefit (Option I)

$\$38,572 / \$56,000 =$  **68% of Employee's Last Year's Salary**

# Purchases



# *These Purchases Have Deadlines ...*

## **Fractional/Part-time Service**

- Full-time service – did not work a full year.
- Part-time service – employed at least 7/10 of the year.
- Deadline to Purchase – December 31 following the fiscal year in which the Lost Services occurred.
- Employer must complete a Lost Service Certification.

## **Current Leave of Absence**

- Official leave – Board minutes required.
- Deadline to Purchase – June 30<sup>th</sup> of following year.
- Employer must complete a Leave of Absence Certification.

*These purchases may be bought anytime prior to retirement ...*

## **Non-Current Leave of Absence**

*If membership is prior to 7/1/2008, entry after that date the cost is actuarial.*

- Only reasons Health, Child Rearing, or Educational.
- No more than two years may be purchased.
- Interest of 8% compounded annually.
- Must pay the state matching, plus interest.

## **Withdrawn Account (Reinstatement)**

- Eligibility - Active status & one year or more in any Kentucky retirement system.
- Annual interest of 8% is charged from date of withdrawal to date of payment.

## **USERRA Military Service**

- Employer must complete USERRA Certification.

*This purchase may be bought at the time of retirement ...*

## **Actuarial Purchases**

*Purchasable only at retirement*

*May not be used for vesting (first 5 years)*

**Non-qualified** \* *(If entry date is prior to 7/1/2008) (must have 20 years to purchase)*

**Public Out-of-State Service**

**Peace Corp Service**

**Head Start**

**Civil Service**

**Military Service**

**National Guard or Military Reserves**

**Mental Health/Mental Retardation Service Program**

***Non-Current Leave of Absence*** \* *(If entry date is on or after 7/1/2008)*

Non-Qualified may not be used as a 3% multiplier.



# Refund/Withdrawal of KTRS Account Balance

- ❖ Employee must have terminated employment.
- ❖ Employee forfeits their retirement benefit.
- ❖ Employee will receive their contributions plus accrued interest, less mandatory withholding of 20% for federal income taxes\*.
- ❖ Employee may also be liable for a federal penalty.

*\* Direct roll over to another retirement plan is not taxed at time of rollover.*



# Benefits



# Reciprocity Benefits

- All years of service are combined from both the Kentucky Teachers' Retirement System and the Kentucky Retirement System for eligibility purposes.
- The highest salaries are used in both systems for calculating retirement. It doesn't matter in which system the salaries were earned.



+



# Disability Retirement Benefit

## Eligibility

- Must have 5 or more years of full time service, but less than 27 years.
- Be an active contributing member.
- Have a disabling condition expected to last 12 months.
- Condition must be certified by a specialist.

## Approval

- Must have approval by the KTRS medical review committee.

## Benefits

- 60% of average salary during entitlement.
- Health Insurance.
- Service credit awarded at the end of entitlement period.

## Restrictions

- No work similar to KTRS positions.
- Income limit.

*Ask to speak to a KTRS Disability Counselor for more information.*



# Other Benefits

## Life Insurance

- *Life insurance benefit of \$2,000.00 as an active member*
- *Life Insurance benefit of \$5,000.00 as a retired member*

## Cost of Living Increases

- *Retired Members are guaranteed a 1.5% COLA each year*



# Health Insurance Benefits for All Ages

## **Kentucky Employees**

### **Health Plan (KEHP)**

For Retirees Under Age 65  
and not Medicare eligible.

### **Medicare Eligible Health Plan (MEHP)**

For Retirees Medicare  
Eligible or Age 65 & Over.





# Percentage of Health Insurance Paid by KTRS

**Kentucky  
Employees  
Health  
Plan  
(KEHP)**

*(Under  
Age 65)*

**&**

**MEHP with  
Humana/  
Medco  
(Age 65  
& Over)**

Years of Service	Entry prior to 07/01/02	Entry on or after 07/01/02	Entry on or after 07/01/08
27.0	Maximum	Maximum	Maximum
26-26.99	Maximum	95%	95%
25-25.99	Maximum	90%	90%
20-24.99	Maximum	65%	65%
15-19.99	75%	45%	45%
10-14.99	50%	25%	not eligible
5-9.99	25%	10%	not eligible

*\*This chart does not reflect the additional amount KEHP members pay to the Medical Insurance Fund.*

## **HB 540 SHARED RESPONSIBILITY For Non-Medicare Eligible Retirees**

Retirees under age 65, regardless of retirement date, who receive medical benefits through the Kentucky Employees' Health Plan, began contributing an additional amount to the Medical Insurance Fund effective July 1, 2010. This amount is based on the standard Medicare Part B premium that is currently paid by retirees age 65 and over.

<b>Effective Date</b>	<b>Medicare Part B Cost to Retiree Age 65 &amp; Over</b>	<b>Shared Responsibility Cost to Retiree Under Age 65</b>
<b>January 1, 2014</b>	<i>\$104.90</i>	<i>\$104.90</i>



# Shared Responsibility – HB540

## Contribution Rates Changes

<b>Effective Date</b>	<b>Employee Contribution Rate</b>	<b>Employer Contribution Rate</b>	<b>Medical Insurance Fund</b>
<b>July 1, 2010</b>	10.105%	13.355%	0.25
<b>July 1, 2011</b>	10.355%	13.605%	0.50
<b>July 1, 2012</b>	10.855%	14.105%	1.00
<b>July 1, 2013</b>	11.355%	14.605%	1.50
<b>July 1, 2014</b>	12.105%	15.355%	2.25
<b>July 1, 2015</b>	12.855%	16.105%	3.00

# Insurance Facts to Remember

- KTRS may supplement the cost of retiree insurance.
- Percentage paid toward retiree premium is based on years of service and KTRS entry date.
- KEHP retirees pay Shared Responsibility in addition to their plan cost.
- KEHP retirees may choose single, couple or family plan and may continue to cross-reference
- Contact KTRS for rates, especially Reciprocity Retirees.

# MEHP FACTS

## Medicare Eligible or Age 65 & Over

- ❖ Upon Retirement, if a member is Medicare eligible, they must enroll in the MEHP if taking insurance through KTRS.
- ❖ MEHP participants must enroll in Medicare Part B through Social Security.
- ❖ MEHP retirees pay Medicare Part B to Social Security.
- ❖ Spouses must have Medicare Parts A and B to be eligible to enroll in MEHP with KTRS.
- ❖ Spouses pay full cost under MEHP.

# The Process of Retiring



# Options for Annuity Payment

**Option I** – Maximum Monthly Benefit  
payable for lifetime

*Refundable Balance  
to Beneficiary*

**Option II** – Five Year Certain  
Ten Year Certain  
Fifteen Year Certain  
Twenty Year Certain

*No Benefit to  
Beneficiary after  
certain period*

**Option III** – Joint Survivor Annuity

**Option III A** – Joint Survivor Annuity with Pop-Up

**Option IV** – Joint Survivor Annuity  
One-half Benefit to Beneficiary

**Option IV A** – Joint Survivor Annuity  
One-half Benefit to Beneficiary with Pop-up

*Lifetime Benefit for  
Member and  
Beneficiary*

# Service Retirement Application

## *Form 23*

- Must be received ONE MONTH PRIOR TO RETIREMENT
- Health insurance enrollment is attached as part of the application.
- Complete application thoroughly including all signatures, even when waiving insurance.
- Member and Spouse must sign.
- Must be witnessed by two people.
- Do NOT detach any pages of the retirement application.

KENTUCKY  
TEACHERS'  
Retirement System



Serving Kentucky Teachers  
— Since 1940 —

### **Application for Service Retirement**

479 Versailles Road  
Frankfort, Kentucky 40601

PH: 502-848-8500

TOLL FREE: 1-800-618-1687

Monday through Friday  
8:00 a.m. — 5:00 p.m. EST

[www.ktrs.ky.gov](http://www.ktrs.ky.gov)

KENTUCKY TEACHERS' RETIREMENT SYSTEM  
Application for Service Retirement

Section I – IMPORTANT RETIREE INFORMATION

You are responsible for filing this application with the Kentucky Teachers' Retirement System (KTRS). If you leave the forms with your employer, you should make sure that the forms are either returned to you or mailed to KTRS prior to the filing deadline.

This application must be filled out completely and correctly and in its original form. Failure to do so will delay the effective date of your retirement. Any reproduction of this application is **NOT** permitted unless authorized by KTRS.

You may retire during a school year with the approval of the employer. Retirements can only become effective on the first day of the month. You will receive your annuity at the end of each month. **Your KTRS Member Number or Social Security Number is required on all forms and correspondence submitted to KTRS.**

If you file an application and later change your mind, you may cancel your retirement by notifying KTRS in writing no later than the 15th day of the month that your retirement becomes effective. Cancellation voids the retirement application and your medical insurance coverage. A new application will be required when you decide to retire at a later date.

In completing this application, please answer all questions and fill in all blanks that apply to you. Sections I through VII (in addition to the applicable health insurance application at the end) are to be completed by you. Sections VIII and IX will need to be completed by your employer. Pay special attention to any instructions provided within the sections of this application. Failure to follow these instructions could result in a delay in processing your application. After receiving your completed application, KTRS will process it and notify you of your effective retirement date and the amount of your benefit payment.

If combining service with any of the other Kentucky public retirement systems, please contact them @ 1-800-928-4646 for the necessary forms in order to properly retire from that system.

Retiree's Last Name	First Name	Middle Initial	KTRS Member # or SS #
Address/City/State/ZIP			Email Address
Date of Birth	Home Phone Number		Cell Phone Number

PLEASE ENCLOSE A PHOTOCOPY OF YOUR SIGNED SOCIAL SECURITY CARD,  
CERTIFIED BIRTH CERTIFICATE AND CERTIFIED MARRIAGE LICENSE.

Spouse's Last Name	First Name	Middle Initial	KTRS Member # or SS #	Date of Birth

Please provide answers to the QUESTIONS below:	Answers
1. Is your spouse a member of KTRS?	1. <input type="checkbox"/> YES <input type="checkbox"/> NO
2. Who was your last KTRS employer?	2.
3. Please provide the last fiscal year of KTRS employment.	3.
4. Are you purchasing service or salary credit toward your retirement?	4. <input type="checkbox"/> YES <input type="checkbox"/> NO
5. If "Yes" to Question #4, name the type of purchase.	5.
6. If "Yes" to Question #4, does this purchase involve a rollover of funds?	6. <input type="checkbox"/> YES <input type="checkbox"/> NO
7. Are you receiving a retirement incentive or a separation/termination agreement bonus from your employer?	7. <input type="checkbox"/> YES <input type="checkbox"/> NO
8. Do you have an adult disabled child dependent upon you?	8. <input type="checkbox"/> YES <input type="checkbox"/> NO
9. Have you taught in public schools outside of Kentucky?	9. <input type="checkbox"/> YES <input type="checkbox"/> NO
10. If "Yes" to Question #9, have you used any of your Kentucky or out-of-state service credit to qualify for an annuity elsewhere?	10. <input type="checkbox"/> YES <input type="checkbox"/> NO
11. State law KRS 161.470(5)(e) makes it necessary for KTRS to ask the following question. "If you became a member on or after August 1, 2000, have you been convicted of a felony related to your KTRS or other state covered employment?"	11. <input type="checkbox"/> YES <input type="checkbox"/> NO
12. Do you have a current or refunded account with one of the other Kentucky public retirement systems?	12. <input type="checkbox"/> YES <input type="checkbox"/> NO
13. If "Yes" to Question #12, please make selection & complete Section V. Please note that ALL forms must be completed and filed with <u>each</u> retirement system before you will receive monies from any system.	13. <input type="checkbox"/> KERS <input type="checkbox"/> CERS <input type="checkbox"/> SPRES <input type="checkbox"/> KJRS <input type="checkbox"/> KLRS



M B - S R - O S A

Please Leave Blank – For Retirement Office Use ONLY

MB \_\_\_\_ SS \_\_\_\_ ML \_\_\_\_ BB \_\_\_\_ BSS \_\_\_\_ INS \_\_\_\_

Retirement Date: \_\_\_\_, 20\_\_

Retirement Option: \_\_\_\_\_

# Application for Service Retirement Form 23

## SECTION I

## Important Retiree Information



# SECTION II

## Option Section

&

## Beneficiary Designation

### Section II - OPTION SELECTION & BENEFICIARY DESIGNATION

I, \_\_\_\_\_ (Name of Retiree) hereby select Retirement Option #\* \_\_\_\_\_ in accordance with the state law. \* A designation of Option II will be considered a 10-year certain unless otherwise noted on the above "Retirement Option" line.

I, \_\_\_\_\_ (Name of Spouse) as the spouse of the applicant fully understand the retirement option selected as well as any retirement benefits that I am or am not entitled to receive in the event of the retiree's death.

Signature of Spouse \_\_\_\_\_ Printed Name \_\_\_\_\_ Date \_\_\_\_\_

#### Beneficiary Designation Complete ONLY for Option I or II selections.

- You may designate only a natural person, your estate or a trust pre-approved by KTRS as beneficiary if you select Option I. You may designate only a natural person as beneficiary if you select Option II.
- You may designate one PRIMARY beneficiary OR two or more CO-BENEFICIARIES. Co-beneficiaries share equally in the event of your death. Furthermore, a CONTINGENT BENEFICIARY/beneficiaries may be designated in addition to the primary beneficiary or co-beneficiaries. (Contingent beneficiaries will only receive the benefit in the event of the primary beneficiary & co-beneficiary's death.)
- You may designate all beneficiaries as CO-BENEFICIARIES who will share equally in the event of your death.

#1: This individual is MY (ONE MUST BE CHECKED):		<input type="checkbox"/> Primary OR <input type="checkbox"/> Co-Beneficiary	
Last Name	First Name	Relationship	Social Security Number
Date of Birth	Gender	Address/City/State/ZIP	

#2: This individual is MY (ONE MUST BE CHECKED):		<input type="checkbox"/> Co-Beneficiary OR <input type="checkbox"/> Contingent Beneficiary	
Last Name	First Name	Relationship	Social Security Number
Date of Birth	Gender	Address/City/State/ZIP	

#3: This individual is MY (ONE MUST BE CHECKED):		<input type="checkbox"/> Co-Beneficiary OR <input type="checkbox"/> Contingent Beneficiary	
Last Name	First Name	Relationship	Social Security Number
Date of Birth	Gender	Address/City/State/ZIP	

#4: This individual is MY (ONE MUST BE CHECKED):		<input type="checkbox"/> Co-Beneficiary OR <input type="checkbox"/> Contingent Beneficiary	
Last Name	First Name	Relationship	Social Security Number
Date of Birth	Gender	Address/City/State/ZIP	

#### Beneficiary Designation Complete ONLY for Option III, IIIa, IV or IVa selections.

You must name only one person as beneficiary. You must designate only a natural person as beneficiary under these Options. A photocopy of the beneficiary's CERTIFIED birth certificate AND signed Social Security card will be required.

This Individual is my Beneficiary.			
Last Name	First Name	Relationship	Social Security Number
Date of Birth	Gender	Address/City/State/ZIP	



### Section III – ELECTRONIC FUNDS TRANSFER

Your monthly annuity must be sent to your financial institution for deposit to your checking account. The financial institution may be any bank, savings and loan association, or credit union. An Electronic Funds Transfer (EFT) deposits your monthly annuity directly into your account at your financial institution.

This section only authorizes deposits into your checking account.  
It does not authorize withdrawals from your account.

**ATTACH YOUR  
VOIDED OR CANCELED PERSONAL CHECK INSIDE THIS BOX!**

☐ Check here for direct deposit to a SAVINGS ACCOUNT.  
KTRS will send you an authorization form to be completed by  
your financial institution.

### Section IV – WITHHOLDING

KTRS annuity payments are subject to federal taxes.  
Failure to properly withhold could result in an IRS penalty for underpayment of taxes.

To complete this section, please refer to the IRS Form W-4P instructions which accompany your service retirement application. In addition, KTRS has provided supplemental instructions to Form W-4P which may be less complex than those provided by the IRS. Please keep the W-4P section of the IRS instructions marked void. This worksheet is to be filed with your records. To facilitate processing of your application, we have printed a replica of the W-4P below to be completed by you.

Form <b>W-4P</b> Department of the Treasury Internal Revenue Service		Kentucky Teachers' Retirement System <b>Withholding Certificate for Pension or Annuity Payments</b>	OMB No. 1545-0074
Your first name and middle initial		Last name	FOR TAX YEAR IN WHICH MEMBER RETIRED
Home address (number and street or rural route)		Your Social Security Number	
City or town, state, and ZIP code		Claim or identification number (if any) of your pension or annuity contract	
Complete the following applicable lines			
1. Check here if you do not want any federal income tax withheld from your pension or annuity. (do not complete line 2 or 3.)			<input type="checkbox"/>
2. Total number of allowances and marital status you are claiming for withholding from each periodic pension or annuity payment. (You also may designate an additional dollar amount on line 3.) Marital Status: <input type="checkbox"/> Single <input type="checkbox"/> Married <input type="checkbox"/> Married, but withhold at higher Single rate			Enter number of allowances.)
3. Additional amount, if any, you want withheld from each pension or annuity payment. (Note. For periodic payments, you cannot enter an amount here without enter the number (including zero) of allowance on line 2.)			\$

## SECTION III

# Electronic Funds Transfer (EFT)

## SECTION IV

# Withholding Information

## Section V – RECIPROCITY INSURANCE

This section must be completed if "YES" was answered for Question #12 in Section I.

Have you purchased any service at Kentucky Retirement Systems after August 1, 2004?	If "Yes" list type of purchase:	List the number of months:
<input type="checkbox"/> Yes <input type="checkbox"/> No		

Certain types of KRS service purchases after 8/01/04 will not be used for the purpose of determining the retirement systems' health insurance contribution toward the premium, which will affect the member's portion of the premium.

## Section VI – DESIGNATION OF BENEFICIARY FOR KTRS LIFE INSURANCE

Members of the Kentucky Teachers' Retirement System (KTRS) are covered by a life insurance benefit provided by KRS 161.655. KTRS statutes permit a retired member to designate a beneficiary to receive the life insurance payment of \$5,000. If a beneficiary is not designated, the life insurance benefit will be made to the member's estate.

You may name **only** ONE person, a funeral home, a trust pre-approved by KTRS or your estate as your PRIMARY BENEFICIARY. Additionally, you may name **only** ONE person, a funeral home or your estate as a CONTINGENT BENEFICIARY to receive this benefit in the event your Primary Beneficiary predeceases you.

This section may be used to designate a beneficiary for **only** the life insurance benefit and is not affected by or contingent upon the beneficiary/beneficiaries named in Section II.

State statute requires that if you have a living spouse and you designate someone else as your primary beneficiary, the spouse must sign below to acknowledge they are not named as the primary beneficiary.

Beneficiary Designation For the KTRS Life Insurance Benefit			
In the event of my death, I direct the Board of Trustees of the Kentucky Teachers' Retirement System to pay my life insurance benefit to:			
<b>#1: PRIMARY BENEFICIARY (One person only)</b>			
Last Name	First Name	Relationship	Social Security Number
Date of Birth	Gender	Address/City/State/ZIP	

The **Contingent Beneficiary** becomes entitled to this benefit in the event your Primary Beneficiary predeceases you.

<b>#2: CONTINGENT BENEFICIARY (One person only)</b>			
Last Name	First Name	Relationship	Social Security Number
Date of Birth	Gender	Address/City/State/ZIP	

**COMPLETE IF APPLICABLE:** I acknowledge, as the spouse of the above named KTRS member, that I am not the named primary beneficiary of this benefit and I am not entitled to any life insurance benefit from Kentucky Teachers' Retirement System upon the death of my spouse. **Required by state law (KRS 65.154).**

Signature of Spouse \_\_\_\_\_ Printed Name \_\_\_\_\_ Date \_\_\_\_\_

## SECTION V

### Reciprocity Purchase for Insurance

## SECTION VI

### Beneficiary Designation for Life Insurance

## Section VII – CERTIFICATION OF RETIREMENT INFORMATION

## SECTION VII

### Certification of Retirement Information

I hereby certify the accuracy of the foregoing information provided by me and request retirement from the Kentucky Teachers' Retirement System (KTRS) in accordance with the provisions of the Kentucky Revised Statutes to begin on ...

The FIRST day of: \_\_\_\_\_ MONTH \_\_\_\_\_ YEAR

(UNTIL YOU HAVE MET A SPECIFIED BREAK-IN-SERVICE, YOU MAY NOT PERFORM SERVICES IN A KTRS COVERED POSITION AND/OR RECEIVE PAY FROM YOUR EMPLOYER FOR ANY DAYS WORKED AFTER YOUR REQUESTED RETIREMENT DATE.)

Retiree's signature must be witnessed by two adults NOT related to the Retiree by birth or marriage, or designated as a beneficiary.

Signature of APPLICANT	Printed Name	Date of Signature
Signature of WITNESS #		Date of Signature
Signature of WITNESS #		Date of Signature

**Retiree  
Completes**

D EARNINGS  
YOUR EMPLOYER

FOR

GUIDELINE TO PUBL... from the salary schedule. This excludes extended days and/or extra earnings. "EXTRA EARNINGS" MUST BE ITEMIZED.

GUIDELINE TO OTHER INSTITUTIONS OR AGENCIES: The base contract salary is the yearly salary taken from the personnel action (P-1) forms. "EXTRA EARNINGS" MUST BE ITEMIZED.

Fiscal Year	Rank	Years of Experience	Increment Date	Salary Paid
Number of Base Contract Days →		Base Contract Salary →	\$	= \$
Number of Extended Days →		@ Rate of Pay per Day →	\$	= \$
Extra Earnings (Itemized) →				= \$
→			TOTAL SALARY	\$

Fiscal Year	Rank	Years of Experience	Increment Date	Salary Paid
Number of Base Contract Days →		Base Contract Salary →	\$	= \$
Number of Extended Days →		@ Rate of Pay per Day →	\$	= \$
Extra Earnings (Itemize →				

Fiscal Year	Rank	Years of Experience	Increment Date	Salary Paid
Number of Base Contra				
Number of Extended Da				
Extra Earnings (itemize →				

**Employer  
Completes**

Fiscal Year	Rank	Years of Experience	Increment Date	Salary Paid
Number of Base Contract Days →		Base Contract Salary →	\$	= \$
Number of Extended Days →		@ Rate of Pay per Day →	\$	= \$
Extra Earnings (itemized) →				= \$
→			TOTAL SALARY	\$

Authorized Representative's Signature	Printed Name	Title
Date of Signature	Phone # plus Extension #	Fax #

## SECTION VIII

### Earnings Information

(To be completed by EMPLOYER)

### Section IX – CURRENT YEAR CERTIFICATION BY EMPLOYER

Last Name		First Name		Social Security Number		Year	
Employer		Days in Contract Year (Include Extended Days)		Contract Salary (Include Extended Days)			
Original Contract	Select ONE Rate of Pay: <input type="checkbox"/> Daily <input type="checkbox"/> Monthly <input type="checkbox"/> Hourly	Rate of Pay is: \$ _____ x _____ = \$ _____		Number of Days Paid _____		Salary Paid \$ _____	Contributions Withheld \$ _____
	Number of Unpaid Days (if any) in Normal contract PRIOR to the Retirement Date _____						
Sick Leave	Select ONE Rate of Pay: <input type="checkbox"/> Daily <input type="checkbox"/> Hourly	Rate of Pay is: \$ _____ x _____ % x _____ = \$ _____		Number of Days/Hours Paid _____		Salary Paid \$ _____	Contributions Withheld \$ _____
Annual Leave	Select ONE Rate of Pay: <input type="checkbox"/> Daily <input type="checkbox"/> Hourly					Salary Paid \$ _____	Contributions Withheld \$ _____
Comp Leave	Select ONE Rate of Pay: <input type="checkbox"/> Daily <input type="checkbox"/> Hourly					Salary Paid \$ _____	Contributions Withheld \$ _____
* Extra Earnings	Select ONE Rate of Pay: <input type="checkbox"/> Daily <input type="checkbox"/> Hourly					Salary Paid \$ _____	Contributions Withheld \$ _____
* Extra Earnings (Itemized)							Contributions Withheld \$ _____
<small>*This should include items: salary, etc. Summer school year (June 30) if July retire school employment, by itsse this application form.</small>							
Are you paying a retirement incentive or a separation/termination agreement bonus to this employee? <input type="checkbox"/> YES <input type="checkbox"/> NO Initials _____							

**Completed by Employer**

**SECTION IX**  
**Certification by Employer**  
**(To be completed by employer)**

Contributions on your annual report should match the amount reported on this form.  
 This information will be used in calculating the benefit and must be accurate.

I hereby certify that the employee named in this application has or will terminate his/her contract and the last date of performed duties was or will be (month/day/year) \_\_\_\_\_. The employee requests retirement from the Kentucky Teachers' Retirement System in accordance with the provisions of the Kentucky Revised Statutes to begin on \_\_\_\_\_. I further certify that the above information is accurate and complete to the best of my knowledge.

Authorized Representative's Signature	Printed Name	Title
Date of Signature	Phone # plus Extension #	Fax #

### Section X – LEAVE BLANK FOR RETIREMENT OFFICE USE

Service	SAF	SAF T/S	PENSION	TAX SHELTERED	INSURANCE	KEHP	MEHP	NO
Non-Qualified					Member			
Non-Current					Spouse			
Current (Univ. <input type="checkbox"/> )					OSS			
2.00%	2.50%		S.L. Days	S.L. Serv. Credit	L.C. Year	Application reviewed & processed by:		
(Univ. <input type="checkbox"/> )						X		
Contribution \$	Contribution \$	Contribution \$	Contribution \$	Employer Cost. \$	Status	Approved for payment by:		
						X		



# Documents Required for Retirement

## Member Requirements

- ✓ **Retirement Application (Form 23).**
- ✓ **Copy of your Birth Certificate & Signed Social Security Card.**
- ✓ **Copy of your Marriage Certificate.**

## Requirement for a Beneficiary

(If option III, IIIa, IV, or IVa is selected).

- ✓ **Copy of your Beneficiary's Birth Certificate.**
- ✓ **Copy of the Beneficiary's Signed Social Security Card.**

*Copies of Certified Documents only*

# Post-Retirement Employment





# “Bona Fide” Retirement

- ❖ According to the IRS, a bona fide retirement means there can be no pre-arranged agreement for returning to work.
- ❖ KTRS must maintain compliance with the IRS to remain a qualified retirement plan.

# Post-Retirement Employment

## Return to Work Options for All KTRS Retirees

### Added to First Retirement Account

- Waivers – suspend annuity  
Must work one year or more for service to be added to original retirement.

### Open a Second Retirement Account

- Part-time or Substitute – Employed less than 7/10  
Subject to DWT.
- Full-time Program – Employed 7/10 or more  
Subject to DWT.





# KNOW RTW LIMITS

## **Three Month Break In Service From Last Paid Day**

- Part time - return to work any district.
- Full time return to work in a different school system from which employee retired.

## **Twelve Month Break In Service From Last Paid Day**

- Full time return to work in the same district from which employee retired.

## **Daily Wage Threshold**

- 65% of last annual salary, if retired with less than 30 years.
- 75% of last annual salary, if retired with 30 years or more.

## **Number of Days A Retiree Can Work – Part Time**

- 69% of the contracted days.

# Post-Retirement Employment

## *Consequences if limits are not met:*

Exceeding either the  
Number of days worked or  
the Daily Wage Threshold.



Payment to KTRS  
“dollar for dollar”  
earned over the limit  
or voiding of  
retirement.

Return to any KTRS  
employment too soon.  
*(paid or unpaid)*



**Retirement Will  
Be Voided.**

# Post-Retirement Employment

## Returning to Work in a Non-KTRS Position

Retiree returns in a CLASSIFIED\* position

\*this includes coaching

or

Retiree is not a district employee, but is providing services to the district/students

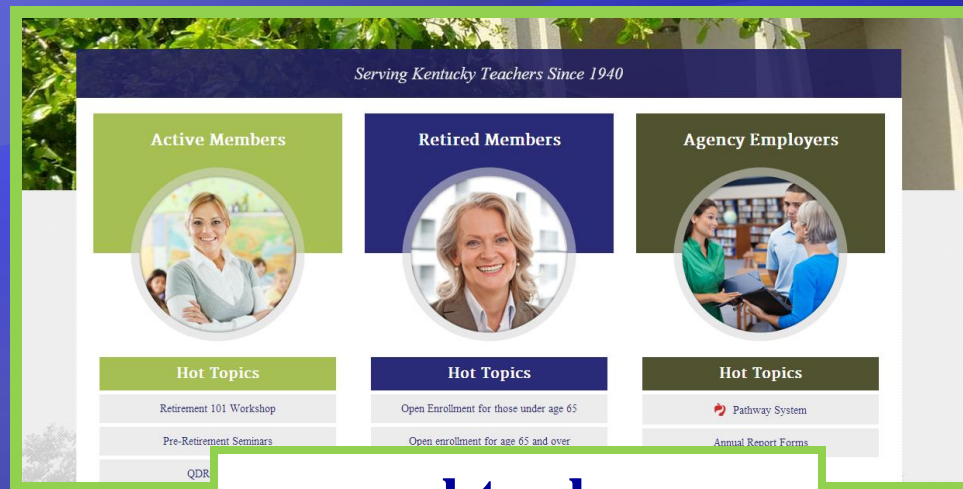
- ✓ Break in Service is not required, **HOWEVER.....**
- ✓ District must receive KTRS approval on Form 30-E before the first day of work EACH year.
- ✓ NEVER submit Form 30-E before retirement (pre-arranged agreement).
- ✓ No KTRS contributions withheld ~ KTRS re-employment limits do not apply.

# *Things to remember when returning to KTRS work after retirement!*

## **Retirement Can Only Continue Successfully IF . . .**

- 1) You terminate all KTRS work during your break in service.
- 2) No KTRS employment of any kind is done during your break in service. Retirees may not volunteer or consult.
- 3) Any return to coaching must have KTRS approval using form 30-E. Coaching is not eligible for Critical Shortage.
- 4) Employers must have KTRS approval BEFORE you accept full-time or Critical Shortage employment.

# KTRS is keeping in touch with you!



[www.ktrs.ky.gov](http://www.ktrs.ky.gov)



**Special Mailings  
and Newsletters**

*479 Versailles Road  
Frankfort, Kentucky 40601*

**Call  
Center**

**1-502-848-8500 or 1-800-618-1687  
8:00 – 5:00 Monday - Friday**

***It is Very Important to Keep Your Address Current with KTRS!!***



Teachers' Retirement System  
of the State of Kentucky

*Our Members  
Come First!*

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1.800.618.1687

502.848.8500

[www.ktrs.ky.gov](http://www.ktrs.ky.gov)

*Protecting & Preserving Teachers' Retirement Benefits*